

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 8485
Order No. R-7851

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT SAN JUAN PETROLEUM COMPANY, NATIONAL SURETY CO., AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE PALMER WELL NO. 1 LOCATED 300 FEET FROM THE NORTH LINE AND 300 FEET FROM THE EAST LINE (UNIT A) OF SECTION 17, TOWNSHIP 29 NORTH, RANGE 13 WEST, SAN JUAN COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 27, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of March, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Cases Nos. 8485, 8486, 8487, 8488, 8489, and 8490 were consolidated for purposes of testimony.

(3) San Juan Petroleum Company was the last known owner and operator of the Palmer Well No. 1 located in the NE/4 NE/4 (Unit A) of Section 17, Township 29 North, Range 13 West, NMPM, Farmington City Limits, San Juan County, New Mexico.

(4) The records on file with the New Mexico Oil Conservation Division show said well to be located 300 feet from the North and East lines of said Section 17 and the well was plugged and abandoned in an unknown manner in 1935.

(5) The subject well has not been located at the above-described location but is believed to be within the NE/4 NE/4 of said Section 17.

(6) National Surety Company is the surety on the Oil Conservation Division plugging bond on which San Juan Petroleum Company is principal.

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(7) The purpose of said bond is to assure the state that the subject well will be properly plugged and abandoned when not capable of commercial production.

(8) The current condition of said well could be such that a hazardous situation exists, waste may occur, correlative rights may be violated, and/or fresh waters may be contaminated if action is not taken to properly plug and abandon the well.

(9) San Juan Petroleum Company and National Surety Company should be ordered to plug and abandon said Palmer Well No. 1 in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before April 15, 1985.

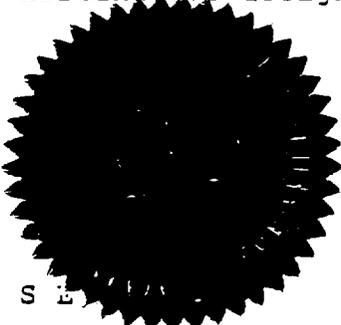
IT IS THEREFORE ORDERED THAT:

(1) San Juan Petroleum Company and National Surety Company are hereby ordered to plug and abandon the Palmer Well No. 1, located in the NE/4 NE/4 (Unit A) of Section 17, Township 29 North, Range 13 West, NMPM, Farmington City Limits, San Juan County, New Mexico, on or before April 15, 1985.

(2) San Juan Petroleum Company and/or National Surety Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS,
Director